
From: Nick Read [REDACTED] **GRO**
Sent: Sun 30/04/2023 11:51:51 AM (UTC)
To: Henry Staunton ([REDACTED] **GRO** [REDACTED])
Cc: [REDACTED] **GRO** [REDACTED]
Subject: RE: Discrepancies in postmaster branches - IN CONFIDENCE

Very good...lets pencil in 10am and I will ask Tracy and Martin R to join us.

Nick Read
Group CEO

EA: [REDACTED] **GRO** [REDACTED]

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From: Henry Staunton ([REDACTED] **GRO** [REDACTED])
Sent: 29 April 2023 21:19
To: Nick Read ([REDACTED] **GRO** [REDACTED])
Subject: Re: Discrepancies in postmaster branches - IN CONFIDENCE

Nick ,

I have not been able to download the Interim Investition Report but understand the gist of the issue from the emails .

I have a 10.30 - 11.15 with Katie Secretan on RTP and a Remco at 2.00 . I can make any time after 9.30 to 10.30 and between 11.30 - 1.45 .

I agree it is not right for Katie to be pressurised by a Main Board Director and that I need to speak to Eliot .

I cannot understand how the balance reached so large a figure before you and I became involved and indeed why no one spoke to Eliot earlier . Emails are not a great way to proceed with such big figures . We can come back to that later .

BW ,

Henry

FYI I go to South Africa / Namibia on Thursday returning on Sunday 21 May .

Sent from [Outlook for iOS](#)

From: Nick Read ([REDACTED] **GRO** [REDACTED])
Sent: Saturday, April 29, 2023 6:37:15 PM
To: Henry Staunton ([REDACTED] **GRO** [REDACTED])
Subject: FW: Discrepancies in postmaster branches - IN CONFIDENCE

Henry,

This is starting to become complicated. I am very clear that Tracy does not feel under pressure when dealing with a NED. This is for you or I to address.

Tracy rang me yesterday with other observations. It would be worth us discussing these as a three, so we can decide the best way forward.

Shall we find some time on Tuesday or Wednesday ?

Best,
Nick

Nick Read
Group CEO

EA GRO

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From: Tracy Marshall <GRO>
Sent: 28 April 2023 10:27
To: Nick Read <GRO>
Cc: Martin Roberts <GRO>
Subject: Discrepancies in postmaster branches - IN CONFIDENCE
Importance: High

Hi Nick,

Apologies for the lengthy email but conscious that we didn't get to speak in more detail about this with Henry on Tuesday evening so I wanted to update you more fully on the interactions with Elliot. A few headlines below:

- Elliot is currently in the application process for two branches – Wood Green and Ware:
 - For Ware, he has already proceeded through the application process and has been successful. The next step is for us to send him a contract, which I've asked my team to put on hold.
 - For Wood Green, he is in the application process, along with other applicants. The business plan process has been completed and we are waiting to conduct suitability assessments (interviews) with the applicants. This is also paused and generating a bit of noise with the other applicants and the local MP who is keen to see a branch in the area reopen as swiftly as possible.
- Elliot was previously advised that the above cases were on hold and understood that this was a reasonable risk management position.
- Elliot called me yesterday about the two cases. I made it very clear that whilst investigations were still ongoing and we were not yet in a position to have established what is an accepted or a disputed loss, it would be remiss of me, as the accountable Onboarding Policy owner, to progress his application.
- He respected my view although was obviously keen that we did progress his application. He has since provided me with what he refers to as a 'commitment' (attached to this email) that he will work with us to establish the losses, set up an appropriate repayment plan if required, and take steps to ensure this doesn't happen again.

I would welcome your thoughts on whether you'd like me to brief Henry more fully to enable him to have a conversation with Elliot. My view however is that, despite the letter of comfort attached, I am uncomfortable progressing his applications with a £208k loss still being investigated for his branches.

Happy to chat through further and if you need it, there is more detail below on the discrepancy position, which John Bartlett has kindly provided.

Many thanks

Tracy

- Elliot was appointment as a NED on 3rd June 2021 and made a Directors Declaration on 26 June 2022 at which time the amount sitting with the PAS team as outstanding was £64,091.24. He had previously made a number of small repayments between 16 June 2020 and 22 March 2021 totalling £16,448
- Between 26 Sept 2019 and 28 Feb 2023, POL sent 83 emails, monthly statements, or reminder letters to UOE/Elliot.
- By 27 Feb 2023 the UOE unresolved shortfall amount had risen to c£213k
- A few days after Elliot was made aware of the investigation at CIU's and CoSec's request, UOE's account received a positive amount on 16 March 2023 of c£113k. Initially this was thought to be a payment made to reduce the shortfall but investigation now shows this to likely be a TC linked to double remming of an ATM.
- On 5 April 2023, Elliot attended a voluntary investigative interview. At the request of my On-Boarding Team, CIU informed Elliot that the process of him taking on two additional post offices had been paused. He understood that this was a reasonable risk management decision and that restarting the process would be reviewed once the shortfall figure had been established and the business risk understood. (The investigative meeting was audio recorded with Elliot's agreement.)
- He stated that his email filters probably screened out emails from POL that did not originate from a person's email. Post interview, CIU has considered this and on all but one occasion Elliot replied to POL emails, he replied to an email sent from [postmasteraccount](#) **GRO**
- Elliot informed CIU in interview that his branches do not have the Review and Dispute facility on their terminals. This is in line with the set up for a Strategic Partner (which Elliot previously was classed as). UOE does have an Assign to Nominee function, the standard procedure for which puts the onus on the postmaster to contact BSC to discuss disputed amounts having conducted their own internal review of the transactions first. If the postmaster does not contact BSC then no action will be taken to investigate the transactions. There are 10076 TCs/Branch Deficits across this time period. On fewer than 10 occasions UOE staff have contacted BSC to dispute.
- On 12 and 13 April 2023, Branch Assurance visits were conducted at all 7 of Elliot's branches. CIU have not yet seen the reports but a summary shows an additional cash discrepancies across the branches of c£16,700 and stock changes of £59,044.
- As of 24 April 2023, the UOE's unsettled (and as yet undisputed) shortfalls total **c£208k which includes the c£59k of stock**
- On or around 21 April 2023, Simon Worboys made contact with Elliot to discuss how together they could establish what is accepted or disputed amounts – this is on-going
- In respect of conflicts of interest, CIU is still following lines of enquiry.

The below may assist and here is the link to the Interim Investigation Report that went to Nick

 <https://poluk.sharepoint.com/sites/CentralInvestigationsUnit/Shared%20Documents/Forms/AllItems.aspx?id=%2Fsites%2FCentralInvestigationsUnit%2FShared%20Documents%2FCase%20files%202022%2F004%2D22%2DProject%20Venus%2FProject%20Venus%20Interim%20Investigation%20Report%2Epdf&viewid=7703a623%2D3121%2D413d%2Da441%2D503efa4db553&parent=%2Fsites%2FCentralInvestigationsUnit%2FShared%20Documents%2FCase%20files%202022%2F004%2D22%2DProject%20Venus>

Tracy Marshall (She/Her)

Retail Engagement Director
Retail Team

GRO

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GRO

